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Attorneys for Debtor
Valley Enterprises T.S. Inc.

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION

In re:	}	Case No. 1:20-bk-11784-MB
		Chapter 11
VALLEY ENTERPRISES T.S. INC.,		
Debtor.		NOTICE OF MOTION AND MOTION BY RESNIK HAYES MORADI LLP TO WITHDRAW AS GENERAL BANKRUPTCY COUNSEL TO THE DEBTOR; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF MATTHEW D. RESNIK IN SUPPORT THEREOF

*[Hearing to be set by Court; Application
for Hearing on Shortened Notice filed
concurrently herewith]*

PLEASE TAKE NOTICE that a *hearing date and time to be set by the Court*, in Courtroom 303 of the above-entitled Court located at 21041 Burbank Blvd., Woodland Hills, CA 91367, RESNIK HAYES MORADI LLP (the “Firm”) hereby moves this Court for an order permitting its withdrawal as counsel for Valley Enterprises T.S. Inc., the Debtor and Debtor-in-Possession herein (hereinafter the “Debtor”), effective upon entry of the order granting this Motion.

1 The Debtor and Counsel have a conflict. This conflict was raised to the Client by
2 the Firm immediately upon the conflict being realized on or around October 8, 2020. At
3 that time the Firm, by and through Matthew Resnik, informed the Client both on the
4 telephone and in writing.

5 The Firm has extended the period of time for Debtor to find new counsel on
6 multiple occasions. In addition, Matthew Resnik spoke with counsel for the Debtor for the
7 separate litigation in which the conflict exists, Anthony Raineri, wherein both parties
8 recognized the need for the Debtor to obtain new counsel.

9 The Motion is based on irreconcilable differences between the Debtor and the Firm
10 and the process in moving forward in the Chapter 11 bankruptcy case; the conflict has
11 made it difficult if not impossible and burdensome for the Firm to continue to represent the
12 Debtor in any additional proceedings. The Debtor is aware of the compliance and aware of
13 the fact that the case may be dismissed or converted without representation of counsel.

14 The Motion is based upon this Notice of Motion and Motion, the attached
15 Declaration, all pleadings and records on file in this case, and upon such other evidentiary
16 matters as may be presented to the Court regarding the Motion.

17 The Debtor files concurrently an application for order shortening time which
18 requests that the Court set a hearing date as early as possible to have this Motion heard.
19 Once the Court has ruled on that application, the Firm will give notice as is ordered by the
20 Court.

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1 WHEREFORE, Applicant respectfully requests that the Court enter an order
2 granting the requested relief and such other and further relief as is just and proper under
3 the circumstances.

4 Dated: October 21, 2020

RESNIK HAYES MORADI LLP

6 By: /s/ Matthew D. Resnik
7 **Matthew D. Resnik**
8 **Roksana D. Moradi-Brovia**
9 *Attorneys for Debtor*
10 Valley Enterprises T.S. Inc.
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MEMORANDUM OF POINTS AND AUTHORITIES

**I. NOTICE TO VALLEY ENTERPRISES T.S. INC. OF CONSEQUENCES OF
WITHDRAWAL**

Notice is hereby given, pursuant to Local Bankruptcy Rule (“LBR”) 2091-1(c), that if this Motion is granted by the Court, representation by Resnik Hayes Moradi LLP (the “Firm”) will end upon entry of the order granting this Motion.

Valley Enterprises T.S. Inc., the Debtor and Debtor-in-Possession herein (hereinafter the “Debtor”) has been previously advised to immediately seek representation to insure that its rights are not adversely affected by the withdrawal.

II. REQUEST TO WITHDRAW

LBR 2091-1. ATTORNEYS – WITHDRAWAL, SUBSTITUTION, AND CHANGE OF ADDRESS

(a) Motion for Withdrawal or Substitution. Except as provided in LBR 2091-1(b), leave of court pursuant to LBR 9013-1(p) is required for:

(1) An attorney who has appeared on behalf of an entity in any matter concerning the administration of the case, in one or more proceedings, or both, to withdraw as counsel.

LBR 2091-1. ATTORNEYS – WITHDRAWAL, SUBSTITUTION, AND CHANGE OF ADDRESS

(c) Notice.

(1) Case. An attorney seeking withdrawal or substitution who has appeared on behalf of an entity in any matter concerning the administration of the case must give notice of the proposed substitution or motion for leave to withdraw to the debtor, the United States trustee, any case trustee, any committee appointed in the case, and counsel for any of the foregoing.

Information has subsequently been revealed that would create a conflict in the representation of the Debtor. Matthew D. Resnik personally made the Debtor aware of the need to find new counsel over the course of numerous electronic mails.

**III. AN ATTORNEY IS PERMITTED TO WITHDRAW WHEN THERE IS A
BREAKDOWN IN THE COMMUNICATION OR THERE IS A CONFLICT
BETWEEN COUNSEL AND THE DEBTOR**

Rule 3-700(C)(1)(d) of the California Rules of Professional Conduct permits an attorney to withdraw from representation if the client, “by other conduct renders it unreasonably difficult for the member to carry out the employment effectively....”

The breakdown in the attorney-client relationship, and certain acts and omissions (specifically: attempting to pursue a course of action against the Firm’s advice, not responding to certain communications, not providing consistent instructions and not clarifying the current status of the engagement), render it unreasonably difficult for the Firm to carry out its representation.

Although there is no personal animosity between the Debtor and the Firm, it is clear that the Firm can no longer be useful to the Debtor. Therefore, the Firm should withdraw and allow the Debtor to proceed as she wishes.

Pursuant to Rule 3-700(A)(2), the Firm has taken steps to minimize any prejudice to the Debtor, as discussed above, by notifying the Debtor of its intent to withdraw.

The Firm requests that all further notices, pleadings, process and other papers addressed to the Debtor be served by mail to the following address:

Valley Enterprises T.S. Inc
13962 Saticoy Street
Van Nuys, CA 91402

IV. CONCLUSION

Based upon the forgoing, Resnik Hayes Moradi LLP hereby respectfully requests that the Court issue an order permitting the Firm to withdraw as counsel for the Debtor, effective upon entry of the order granting this Motion.

Dated: October 21, 2020

RESNIK HAYES MORADI LLP

By: /s/ Matthew D. Resnik
Matthew D. Resnik
Roksana D. Moradi-Brovia
Attorneys for Debtor
Valley Enterprises T.S. Inc.

DECLARATION OF MATTHEW D. RESNIK

I, Matthew D. Resnik, declare as follows:

1. I am over the age of 18. I have personal knowledge of the facts set forth herein, and, if called as a witness, I could and would testify competently with respect thereto. Where facts are alleged upon information and belief, I believe them to be true.

2. I am an attorney at law licensed in the State of California and authorized to practice before the Federal Courts in the Central District of California, and before this Court.

3. I am counsel for the Debtor herein.

4. Information has subsequently been revealed that would create a conflict in the representation of the Debtor. The filing of this Motion is necessary due to the conflict that does exist between the Debtor and counsel.

5. I spoke with the Debtor, Jose Pasco, on the 8th of October upon realizing a conflict exists. A separate email correspondence confirming this conflict was sent to the Debtor on October 9, 2020.

6. The conflict is real between the Firm and the Debtor was revealed shortly after filing. I am reluctant to discuss the details of such differences out of concern for attorney-client confidences, but I emphasize that the conflict in the attorney-client relationship is clear and unambiguous.

7. I personally made the Debtor aware of the need to find new counsel over the course of numerous electronic mails and texts as well as on the telephone.

8. The Debtor is aware the case can be dismissed or converted if new counsel is not found expeditiously.

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1 9. Although there is no personal animosity between the Debtor and the Firm, it
2 is clear that we can no longer be of any help to the Debtor and therefore the Firm should
3 withdraw and allow it to proceed as it wishes.

5 I declare under penalty of perjury under the laws of the United States of America
6 that the foregoing is true and correct.

8 Executed on October 21, 2020, at Encino, California.

10 /s/ Matthew D. Resnik
Matthew D. Resnik

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

17609 Ventura Blvd., Suite 314, Encino, CA 91316.

A true and correct copy of the foregoing document entitled (*specify*): NOTICE OF MOTION AND MOTION BY RESNIK HAYES MORADI LLP TO WITHDRAW AS GENERAL BANKRUPTCY COUNSEL TO THE DEBTOR; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF MATTHEW D. RESNIK IN SUPPORT THEREOF will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 10/21/2020, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (*date*) 10/21/2020, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 10/21/2020, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

- **To the Debtor via email; address not listed here for privacy reasons.**
- **Personal Delivery:**

No Judge's Copy required for documents less than 25-pages per GENERAL ORDER 20-06 - IN RE: PROCEDURES FOR PHASED REOPENING DURING COVID-19 PUBLIC EMERGENCY.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

10/21/2020
Date

Ja'Nita Fisher
Printed Name

/s/ Ja'Nita Fisher
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) [CONTINUED]:

- **Julian K Bach** Julian@Jbachlaw.com, julianbach@sbcglobal.net
- **Greg P Campbell** ch11ecf@aldridgepite.com,
gc@ecf.inforuptcy.com;gcampbell@aldridgepite.com
- **Russell Clementson** russell.clementson@usdoj.gov
- **Roksana D. Moradi-Brovia** roksana@rhmfirm.com,
matt@rhmfirm.com;janita@rhmfirm.com;susie@rhmfirm.com;max@rhmfirm.com;priscilla@rhmfirm.com;pardis@rhmfirm.com;russ@rhmfirm.com;rebeca@rhmfirm.com;david@rhmfirm.com;sloan@rhmfirm.com
- **Matthew D. Resnik** matt@rhmfirm.com,
roksana@rhmfirm.com;janita@rhmfirm.com;susie@rhmfirm.com;max@rhmfirm.com;priscilla@rhmfirm.com;pardis@rhmfirm.com;russ@rhmfirm.com;rebeca@rhmfirm.com;david@rhmfirm.com;sloan@rhmfirm.com
- **United States Trustee (SV)** ustpreion16.wh.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL [CONTINUED]:

Valley Enterprises T.S. Inc
13962 Saticoy Street
Van Nuys, CA 91402

ALL CREDITORS:

Franchise Tax Board
Bankruptcy Section MS: A-340
PO Box 2952
Sacramento, CA 95812

Internal Revenue Service
PO Box 7346
Philadelphia, PA 19101

Employment Development Dept.
Bankruptcy Group MIC 92E
Po Box 826880
Sacramento, CA 94280

California Department of Tax and Fee
Administration
Account Information Group MIC:29
P.O. Box 942879
Sacramento, CA 94279

U. S. Securities and Exchange Commission
Attn: Bankruptcy Counsel
444 South Flower Street, Suite 900
Los Angeles, CA 90071-9591

Attorney General
United States Department of Justice
Ben Franklin Station
P. O. Box 683
Washington, DC 20044

Civil Process Clerk
United States Attorney's Office
Federal Building, Room 7516
300 North Los Angeles Street
Los Angeles, CA 90012

BSI Financial Services
P.O. Box 517

Titusville, PA 16354

BSI Financial Services
PO Box 1943
Richmond, IN 47375

Carrington Mortgage Services
P.O. Box 79001
Phoenix, AZ 85062-9001

Chase Auto
PO Box 90187
Fort Worth, TX 76101-2087

Chrysler Capital
P.O. Box 961275
Fort Worth, TX 76161

East West Bank
P.O. Box 60021
City of Industry, CA 91716-0021

JPMorgan Chase Bank, N.A.
Bankruptcy Dept.
PO Box 29505
AZ1-5757
Phoenix, AZ 85038

Los Angeles County Tax Collector
PO Box 54110
Los Angeles, CA 90054-0110

SRA Associates
112 W. Park Drive, Ste 200
Mount Laurel, NJ 08054

Val-Chris Investments, Inc.
2601 Main Street, Suite 400
Irvine, CA 92614